

12 DEC 1975

MEMORANDUM FOR: Deputy Director for Administration

SUBJECT : Documentation of First-Class Air
Travel Requirements

REFERENCE : a. Report of Audit, Agency Travel System;
3 October 1973; (copy attached)

b. Memo for Record written by IG; Subject:
First-Class Air Travel; 14 August 1974;
(copy attached)

c. Memo to IG from the DDA; Subject: First-
Class Air Travel; 7 October 1974; (copy
attached)

d. Memo to Acting Chief, Audit Staff from
the IG; Subject: First-Class Air Travel;
25 October 1974; (copy attached)

e. Memo to DDI, DDO, DDS&T, AO/DCI from the
DDA; Subject: First-Class Travel;
29 October 1974; (copy attached)

1. Reference a, contains an audit recommendation that travel orders and/or travel vouchers include the specific justification for use of first-class air accommodations. Subsequent discussion between the DDA and IG resulted in a policy statement by the DDA (Reference e) which contains the following paragraphs:

STATINTL "1. [] states, in part, that only Deputy Directors, plus one single senior subordinate, may approve the use of first class air accommodations.

2. When such authorizations are made will you please ensure that the travel order states that the determination to approve the first-class air accommodation is based on []

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2. Contrary to this instruction by the DDA, the specific justification for the use of first-class air accommodations is rarely cited on the travel orders or travel claims. The current blanket travel orders simply refer to [] as the STATINTL authority without citing one of the specific justifications authorized by this regulation. First-class travel performed by Agency officials, therefore, is not being appropriately documented. Government-wide standards as prescribed by the US General Accounting Office require that first-class travel be supported with the specific justification for such travel either in advance on the travel order or subsequent to the travel on the travel accounting.

3. The Agency has historically restricted the use of first-class travel by requiring approval at the Deputy Director level. We recognize that this level of approval has had the desired effect of limiting the amount of first-class travel. However, such travel performed should be documented in accordance with Agency as well as Government-wide standards.

4. We recommend that the DDA enforce the policy directive issued by his office (reference e above) to require that the justification for first-class travel be documented for specific trips.

5. Please advise the Chief, Audit Staff of the action taken on this matter.

[]

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Chief, Audit Staff
Office of Inspector General

Attachment
Distribution:
Orig & 1 - DDA

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REFERENCE a

REPORT OF AUDIT
Agency Travel System

For the Period
1 January 1972 - 31 May 1973

GENERAL

1. The Central Travel Branch (CTB), Certification and Liaison Division, Office of Finance is the central point where travel claims and related expenses are uniformly reviewed and processed for all staff and contract employees. Commuted travel expenses and agent travel claims are reviewed and processed by the traveler's component. Effective 1 August 1973 the Agency instituted commuted travel rates for travel from the field to Headquarters; previously, commuted rates covered only travel from Headquarters to the field. Travel claims for DDS&T components OSA, OD&E, OEL, and SPS are reviewed and processed by OSA. These components are the subject of separate reports of audit.



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AUDIT OBSERVATIONS AND RECOMMENDATIONS

3. Travel vouchers processed by CTB were reviewed on a random test basis to determine uniform compliance with the policies, procedures, and controls, applicable to Agency travel. CTB is generally effective in performing its function; however, Agency administrative procedures which govern the use of first-class air accommodations and the rate of per diem for extended temporary duty (TDY) need to be strengthened. Also,

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there is no general ledger control account for Government Transportation Requests (GTR's) on hand. Minor observations were discussed with officials concerned and satisfactorily resolved during the audit. Our recommendations for the Agency Travel Policy Committee and the Office of Finance are discussed and enumerated below.

First-Class Air Accommodations

25X1A 4. In many instances the necessity for the use of first-class air accommodations was not adequately justified on either the travel order or travel voucher. [] and Federal Travel Regulations allow for the use of first-class air accommodations under certain circumstances; however, if an adequate explanation of the circumstances necessitating the use of first-class air accommodations is not included on the travel order and/or travel voucher, certifying officers and auditors are precluded from effectively reviewing the voucher. 25X1A In this connection [] requires that financial transactions be documented in a manner which will satisfy certifying officers and generally accepted accounting practices.

5. In several instances first-class accommodations were authorized because of the physical condition of the traveler, but there was no evidence of coordination with the Office of Medical Services (OMS). These authorizations should be approved by OMS.

Recommendations for the Agency Travel Policy Committee

25X1A a. Amend Agency travel regulations to require that specific justification for the use of first-class air accommodations, as stated in [] be included on the travel order and/or travel voucher.

b. Amend Agency travel regulations to require that justification for the use of first-class accommodations because of the traveler's physical condition be approved by OMS.

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c. Reemphasize to the appropriate officials the need for compliance with regulations concerning the justification and approval of first-class air accommodations.

Rates of Per Diem for Extended Foreign TDY

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6. In connection with a travel order for an extended period of TDY, Agency regulation [] requires the authorizing official to consider whether circumstances warrant a reduction in the rate of per diem after a two month stay at a TDY location. Federal Travel Regulations, from which our regulation is derived, state that per diem rates should be reduced when employees incur lower costs due to extended periods of TDY.

7. CTB officials indicated there have been very few instances of reductions in per diem for extended periods of foreign TDY in the past year. Our review of 34 travel vouchers for extended periods of foreign TDY disclosed only one instance of a reduction in the rate of per diem and in only two instances was there an indication that a reduction in the rate of per diem was considered. The lack of explanation on the remaining 31 vouchers precluded an effective review by either the certifying officer or the auditor.

Recommendation for the Agency Travel Policy Committee

Amend Agency travel regulations to require that the travel order or travel voucher related to an extended period of TDY provide for a reduction of the rate of per diem after the first two months or contain a statement by the authorizing official explaining why a reduction is not considered appropriate.

Administrative Control of GTR's

8. CTB is responsible for the administrative control and safekeeping of GTR's issued to the Agency. Manual records

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REFERENCE b

14 August 1974

MEMORANDUM FOR THE RECORD

SUBJECT: First Class Air Travel

1. In line with my responsibility to discuss with the Director any Audit Staff recommendations which have not been accepted by the component concerned, I raised with the DCI this morning the above subject, referring specifically to three documents:

(a) Audit Report, Agency Travel System, 3 October 1973;

(b) Memo to Chief, Audit Staff, Same Subject, from Director of Finance, 2 November 1973;

(c) Memo to Chief, Audit Staff, Same Subject, from Chairman, Travel Policy Committee, 11 April 1974.

2. Although not necessarily in this order we discussed:

(a) Use of DCI's special authority for administrative purposes;

(b) DCI's view on a tight audit and tight certifying policy;

(c) Change of regulation to require that those approving first class air travel specify the basis for the authorization under

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(d) Use of blanket first class orders.

3. His reactions clearly were these:

(a) He is aware of a residual feeling in the Agency, especially among older officers, that we need not follow government rules and regulations (and our own) to a T, often relying rather vaguely on the DCI's special authority, and said very pointedly that such authority was not to be used for administrative matters but only for clearly defined operational purposes.

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(b) He is a strong supporter of the view that certifying officers and auditors should insist on running a tight ship, with the objective of establishing a CIA record in these respects equal to that of the best in the government.

(c) He favored a change of regulation to require that the individual approving first class air travel under [] specify the basis. He first questioned whether a change in regulation was necessary but then agreed when I pointed out that in my view: (1) the past record showed that the approving officer would not do it unless required to do so and (2) it was not the certifying officer's responsibility to provide the basis for the authorization and being junior to the approving officer he usually was reluctant to question the omission.

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(d) He agreed that a First Class Blanket Air Travel Authorization seemed incompatible with the objectives of []

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4 I did not raise the question of OMS certification, feeling that in those cases where health was a problem, an approving officer might reasonably be expected to ask the advice of OMS, particularly when he now had to specify a basis for authorizing the travel.

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Donald F. Chamberlain
Inspector General

cc: DDM&S
Director of Finance
Chief, Audit Staff

REFERENCE c

7 OCT 1974

MEMORANDUM FOR: Inspector General

SUBJECT : First Class Air Travel

REFERENCES : (a) Memo for the Record by the IG dated
14 August 1974
(b) Report of Audit, Agency Travel System
1 January 1972 - 31 May 1973

1. While I appreciate receiving a copy of your Memorandum for the Record of 14 August 1974 concerning your discussions with the DCI on the subject of first class air travel, I feel strongly that this subject warrants further attention prior to any action being taken on the recommendations made by the Audit Staff in the referenced Report of Audit.

2. Before going into the specifics relating to the audit recommendations, I think it is important for us to divorce from our consideration of their recommendations the subject of the DCI's special authorities and abuses thereof. While there may indeed be a residual feeling among some officers in the Agency that we need not follow some Government rules and regulations to absolute compliance, there is no evidence that this feeling has been applied in any significant degree to the subject of authorizing or approving first class air travel. On the contrary, the Agency's record in the establishment and implementation of policy and procedures relating to this specific subject can best be described as conservative.

3. Addressing the subject of first class travel in terms of normal Government policies, procedures and implementation, one finds that there are, in essence, only three basic requirements for permitting first class travel:

a. First class travel must be authorized in advance by a duly appointed travel authorizing official; or

b. Travelers who in the course of their journey encounter circumstances which necessitate use of first class accommodations must indicate what these circumstances were on their travel voucher; and

c. Authorizing officials or the traveler must restrict the use of first class travel to five specified instances.

4. When existing Agency travel regulations pertaining to first class travel were promulgated, management was well aware that this might be an area which could lead to abuse. Therefore, in CIA the authorizing level for first class travel was placed at the unusually high level of a Deputy Director or a single senior subordinate. Clearly, this was a recognition on the part of management of its responsibility for precluding abuses. In the ensuing years the regulatory requirements have been strictly followed (although there undoubtedly have been some instances where the traveler who changes to first class in the course of his journey has not initially adequately noted on his voucher the reason therefor).

5. As regards the specific recommendation of the Audit Staff that the senior officials designated to authorize first class travel be required to stipulate specifically why they are so doing, we believe this requirement is not only demeaning but also would result in little of any real significance as regards either certification or audit. These officers authorize and approve financial transactions of far greater significance throughout their working day for which no written justification is required. The determination if first class travel is necessary is purely judgmental, and we have placed the decision in the hands of those best qualified to render such a judgment.

6. The recommendation that any first class travel authorized because of the physical condition of the traveler be coordinated with OMS is, in our opinion, both unnecessary and infeasible. Once again the judgment of the authorizing official should prevail and we feel confident that in those instances where the physical condition of

the traveler might be questionable that these officers would seek professional advice in the normal course of their decision making.

7. In sum, it is my opinion that the existing regulations pertaining to first class travel are entirely consistent with the letter and intent of standard Government policy and procedures and do not require the changes recommended by the Audit Staff.

8. Speaking to a broader issue, I believe that this particular problem of first class travel and the discussions and papers which have resulted point out a procedure which I find bothersome. Because of the nature of the issue, it is of primary concern to the DDA; yet I feel that the manner in which it has been handled escalated it to the highest management levels of the Agency before the DDA had an opportunity to present his case thoroughly. I would hope that you and I could discuss this matter at an early date so as to agree on procedures for the future which would preclude such matters being presented to the DCI prior to full exchanges between the IG and the deputy director concerned.

/s/ John F. Blake

John F. Blake
Deputy Director
for
Administration

cc: Director of Finance
✓ Chief, Audit Staff

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25 OCT 1974

MEMORANDUM FOR: Acting Chief, Audit Staff

SUBJECT : First Class Air Travel

In a discussion today, 24 October 1974, with the DDA we agreed on the following:

a. The DDA will respond to my Memo for the Record of 14 August 1974 by agreeing that individuals approving First Class Air Travel will specify [REDACTED]

[REDACTED] on the travel order and/or travel voucher where these apply. This will be done without changing the regulation.

b. The use of first class travel because of traveler's physical condition will not formally require OMS approval (infeasible when away from Hdqs.) but it is expected that responsible officers will seek professional advice in the normal course of their decision making.

c. On the basis that blanket first class travel orders have been used only to a very limited extent but are of considerable value in emergencies away from headquarters, no change will be made in their usage.

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Donald F. Chamberlain
Inspector General

REFERENCE e

16 74-649

29 October 1974

MEMORANDUM FOR: Deputy Director for Intelligence
Deputy Director for Operations
Deputy Director for Science and Technology
Administrative Officer, Office of the DCI

SUBJECT : First Class Travel

STATINTL

1. [] states, in part, that only Deputy Directors, plus one single senior subordinate, may approve the use of first class air accommodations.

2. When such authorizations are made will you please ensure that the travel order states that the determination to approve the first class air accommodation is based on []

STATINTL

3. Currently issued blanket travel orders will not have to be amended to include the above regulatory citation, but it should be contained in future authorizations.

4. In those cases where individual travel orders are being issued authorizing first class air accommodation because of physical condition of the traveler, it is expected that the approving authority will, if appropriate, seek an opinion from the Office of Medical Services.

Signed: John F. Blaks

John F. Blaks
Deputy Director
for
Administration

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